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526 S. Church St.
Charlotte, N.C. 28202

Phillip O. Stillman, General Manager

Duke Energy Carolinas
EC06E / P.O. Box 1006
Charlotte, N.C. 28201-1006

704 382-8070

704 382-7939 fax

February 28, 2013

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28

Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC for the twelve months ending December 31, 2012. These are for legacy Duke Energy. Please feel free to call me at (704) 382-8070 if you have any questions.

Sincerely,

Phillip O. Stillman
Regulatory Accounting and Planning

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Enclosure

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

Mr. John Flitter
Director, Electric & Gas Regulation
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Clark S. Gillespy
Signature of President

Clark S. Gillespy
Typed or Printed Name of Person Signing

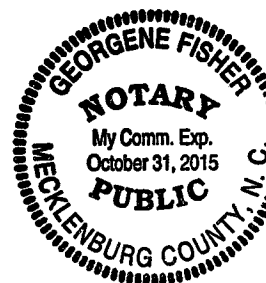
State President, Duke Energy South Carolina
Title

02/22/13
Date Signed

Subscribed and sworn to before me this 22 day of February, 2013.

Georgene Fisher
Notary Public

My Commission Expires: _____



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COMMISSION

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CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles
Signature of Person Making Verification

James D. Wiles
Typed or Printed Name of Person Signing

Director Regulated Accounting
Title

February 22, 2013
Date Signed

Subscribed and sworn to before me this 22 day of February, 2013.

Georgene Fisher
Notary Public

My Commission Expires: _____



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Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,679,703	23.7305%	\$ 1,585,125	\$ 6,578	\$ 1,591,703
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,495,616	25.3126%	378,579	(1,015)	377,564
5	Purchased Power and Net Interchange	368,007	25.4400%	93,621	(229)	93,392
6	Wages, Benefits, Materials, etc.	1,870,711	23.7643%	444,561	17,825	462,386
7	Depreciation and Amortization	919,876	24.0587%	221,310	32,877	254,187
8	General Taxes	361,885	19.8237%	71,739	4,629	76,368
9	Interest on Customer Deposits	6,464	11.5563%	747	(1)	746
10	Income Taxes	494,250	21.8747%	108,116	(22,021)	86,095
11	Amortization of Investment Tax Credit	(6,040)	24.3212%	(1,469)	6	(1,463)
12	Total Electric Operating Expenses	5,510,769	23.9024%	1,317,204	32,071	1,349,275
13	Operating Income	\$ 1,168,934	22.9201%	\$ 267,921	\$ (25,493)	\$ 242,428
14	Add: Customer Growth Adjustment				936	936
15	Income for Return			\$ 267,921	\$ (24,557)	\$ 243,364
16	Original Cost Rate Base (b)			\$ 3,974,299	\$ (16,220)	\$ 3,958,079
17	Rate of Return on South Carolina Retail Rate Base			6.74%		6.15%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

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Line No.	Description	South Carolina Retail				South Carolina Retail			
		Total Company Capitalization		Per Book		Per Book		Pro Forma	
		December 31, 2012	Ratio	Embedded	Cost/	Embedded	Cost/	Embedded	Cost/
		Amount	(Col. 2)	Return %	(Col. 4)	Return %	(Col. 4)	Return %	(Col. 7)
		(Col. 1)							
1	Long-Term Debt	\$ 8,334,857	45.74%	5.26%	\$ 1,817,844	5.26%	\$ 1,810,425	5.26%	\$ 95,228
2	Preferred Stock	-	0.00%	0.00%	-	0.00%	-	0.00%	-
3	Members' Equity	9,888,440	54.26%	7.99%	2,156,455	7.99%	2,147,654	6.90%	148,136
4	Total	\$ 18,223,297	100.00%		\$ 3,974,299		\$ 3,958,079		\$ 243,364

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 7.39%.

(f) Includes pre-tax non-firm wholesale sales profits for the total system of approximately \$0 million for the 12 months ended 12/31/12.
Net of tax South Carolina Retail allocation of profits amounts to approximately \$0 million.

(g) Includes net of tax Progress merger costs to achieve of approximately \$18 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	\$ 22,619	\$ -	\$ -	\$ (8,852)	\$ -	\$ (13,767)
2	To Annualize Wage Rate Increase	-	-	-	(946)	-	275	-	263	-	408
3	To Eliminate Voluntary Opportunity Plan and Office Consolidation Deferral	-	-	-	20,248	-	-	-	(7,925)	-	(12,323)
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	3,083	-	(1,207)	-	(1,876)
5	To Reflect CWIP Closings to Plant	-	-	-	-	9,257	1,473	-	(4,199)	-	(6,531)
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(3,540)	-	3,540
7	To Annualize Rate Case Increase	7,737	-	-	-	-	35	-	3,014	-	4,688
8	To Annualize Depreciation of Buck and Bridgewater Deferred Costs	-	-	-	-	1,716	-	-	(672)	-	(1,044)
9	To Exclude Greenwood Operations	(1,159)	(1,015)	(229)	(1,477)	(715)	(237)	(1)	1,097	6	1,412
10	Total Adjustments	\$ 6,578	\$ (1,015)	\$ (229)	\$ 17,825	\$ 32,877	\$ 4,629	\$ (1)	\$ (22,021)	\$ 6	\$ (25,493)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 32,161,650		\$ 7,345,883	\$ 301,780	\$ 7,647,663
2	Less: Accumulated Depreciation and Amortization	(13,096,832)		(2,937,743)	(31,876)	(2,969,619)
3	Net Electric Plant	19,064,818		4,408,140	269,904	4,678,044
4	Add: Materials and Supplies	1,076,465		262,535	(49,159)	213,376
5	Working Capital Investment	1,156,635		259,513	-	259,513
6	Plant Held for Future Use	4,513	46.0961%	2,080	-	2,080
7	Less: Accumulated Deferred Taxes	(4,447,878)	23.5888%	(1,049,200)	(18,469)	(1,067,669)
8	Operating Reserves	(234,846)	39.4935%	(92,749)	-	(92,749)
9	Customer Deposits	(104,317)		(23,428)	-	(23,428)
10	Greenwood				(11,088)	(11,088)
11	Construction Work in Progress	885,540		207,408	(207,408)	-
12	Total Original Cost Rate Base	\$ 17,400,930		\$ 3,974,299	\$ (16,220)	\$ 3,958,079

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 17,766,220		\$ 3,920,895	\$ 178,350	\$ 4,099,245
2	Transmission	2,839,244	18.2436%	517,982	13,281	531,263
3	Distribution (b)	9,269,532	25.3032%	2,345,489	69,960	2,415,449
4	General	756,595	23.7809%	179,925	6,282	186,207
5	Intangible	458,866	23.4572%	107,637	33,907	141,544
6	Subtotal	31,090,457	22.7463%	7,071,928	301,780	7,373,708
7	Nuclear Fuel	1,071,193	25.5748%	273,955		273,955
8	Total Electric Plant in Service	\$ 32,161,650 (a)		\$ 7,345,883	\$ 301,780	\$ 7,647,663

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$89,374) thousand; includes investment in Appendix J Progam Owners's Group (APOG) of \$1,163 thousand.

(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.

Duke Energy Carolinas, LLC
ACCUMULATED DEPRECIATION AND AMORTIZATION - ELECTRIC PLANT IN SERVICE
SC Quarterly for December 31, 2012
(Thousands of Dollars)

Page 4b

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,746,775		\$ 1,358,008	\$ 28,682	\$ 1,386,690
2	Transmission	1,222,425	18.2450%	223,031	859	223,890
3	Distribution	4,028,074		1,069,861	55	1,069,916
4	General	194,844	32.1950%	62,730	1,181	63,911
5	Intangible	347,436	23.4836%	81,590	1,099	82,689
6	Subtotal	12,539,553	22.2912%	2,795,220	31,876	2,827,096
7	Nuclear Fuel	557,279	25.5748%	142,523		142,523
8	Total Accumulated Depreciation and Amortization	\$ 13,096,832 (a)		\$ 2,937,743	\$ 31,876	\$ 2,969,619

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.76%
10	Steam Production Plant-Specific	14.73%
11	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.72%
12	Hydro Production Plant	1.87%
13	Combustion Turbine Production Plant	2.97%
14	Solar Production Plant	2.97%
	Transmission Plant:	
15	Right-of-Way	1.30%
16	Other	2.12%
17	Distribution Plant	2.22%
18	General Plant	Various
20	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$17,809) thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,608,505 thousand.

Line No.	Description	Total Company Per	Allocation Factors	South Carolina Retail		
		Books		Per Books	Accounting Adjustments	As Adjusted
		(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)
Fuel Stock:						
1	Coal	\$ 487,611	25.5748%	\$ 124,706	\$ (49,159)	\$ 75,547
2	Oil	39,693	25.5748%	10,151	-	10,151
3	Total Fuel Stock	527,304	25.5748%	134,857	(49,159)	85,698
4	Other Electric Materials and Supplies & Stores Clearing	549,161	23.2496%	127,678	-	127,678
5	Total Materials and Supplies	\$ 1,076,465		\$ 262,535	\$ (49,159)	\$ 213,376

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,970		
Price per Ton - Coal	\$ 99.46		
Total Company Pro Forma Inventory	\$ 295,396	25.5748%	75,547
Per Book Coal Inventory			124,706
Coal Adjustment			\$ (49,159)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,159,619		\$ 770,172	-	\$ 770,172
		=====		=====	=====	=====
2	1/8 of O&M Expenses on Line 1	\$ 394,952		\$ 96,272		\$ 96,272
3	Less: Average Taxes Accrued	(51,971)		(22,788)	-	(22,788)
		-----		-----	-----	-----
4	Subtotal	342,981		73,484	-	73,484
5	Required Bank Balances	340	23.3654%	79	-	79
6	Bond Reacquisition Premiums	109,565	16.5509%	18,134	-	18,134
7	Pension Funding	694,208	23.7724%	165,030	-	165,030
8	Prepayments	9,541	29.2022%	2,786	-	2,786
		-----		-----	-----	-----
9	Total Working Capital Investment	\$ 1,156,635		\$ 259,513	\$ -	\$ 259,513
		=====		=====	=====	=====

Duke Energy Carolinas, LLC
CONSTRUCTION WORK IN PROCESS AT MONTH END
SC Quarterly for December 31, 2012
(Thousands of Dollars)

Page 4e

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 1,391,496	23.6597%	\$ 329,224	\$ -	\$ 329,224
2	Transmission	148,015	18.2026%	26,943	-	26,943
3	Distribution	66,502	25.3032%	16,827	-	16,827
4	General	23,331	23.7809%	5,548	-	5,548
5	Intangible	344,588	23.4572%	80,831	-	80,831
6	Total Construction Work in Progress	<u>\$ 1,973,932</u>		<u>\$ 459,373</u>	<u>\$ -</u>	<u>\$ 459,373</u>

Duke Energy Carolinas, LLC
FIXED CHARGES COVERAGE: SEC METHOD
EARNINGS PER SHARE
SC Quarterly for December 31, 2012

Page 5

Line

No. Description

Twelve Months Ended 31-Dec-2012

1	SEC Fixed Charges Coverage	3.66
2	Earnings per Share	\$3.07

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,661,160			\$ 2,055,125	77.2266%	\$ 606,035	22.7734%
2	Commercial	2,167,888			1,722,289	79.4455%	445,599	20.5545%
3	Industrial	1,195,871			743,012	62.1315%	452,859	37.8685%
4	Public Street & Highway Lighting	43,550			37,062	85.1022%	6,488	14.8978%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	306,823	\$ 295,968	96.4621%	9,300	3.0311%	1,555	0.5068%
8	Other	-	-	0.0000%	-	-	-	-
9	Joint Dispatch	18,155	1,102	6.0676%	12,401	68.3071%	4,652	25.6253%
10	Mitigation	10,193	10,193	100.0000%				
11	Total Revenue from Sales of Electricity	\$ 6,403,640	\$307,263	4.7983%	\$ 4,579,189	71.5092%	\$ 1,517,188	23.6926%
<u>Kilowatthour Sales (000s)</u>								
12	Residential	26,279,127			20,121,712	76.5692%	6,157,414	23.4308%
13	Commercial	27,475,918			21,868,420	79.5912%	5,607,498	20.4088%
14	Industrial	20,977,553			12,317,928	58.7196%	8,659,625	41.2804%
15	Public Street & Highway Lighting	289,837			247,847	85.5125%	41,990	14.4875%
16	Interdepartmental	-			-	0.0000%	-	0.0000%
17	Sales for Resale:							
18	Special Contract	5,218,702	5,034,071	96.4621%	158,184	3.0311%	26,448	0.5068%
19	Other	-	0	0.0000%	-	-	-	-
20	Joint Dispatch	490,072	29,736	6.0676%	334,754	68.3071%	125,582	25.6253%
21	Mitigation	421,592	421,592	100.0000%				
22	Total KWH Sales	81,152,800	5,485,399	6.7593%	55,048,845	67.8336%	20,618,558	25.4071%
<u>Revenue Per KWH Sold (Cents)</u>								
23	Residential	10.13			10.21		9.84	
24	Commercial	7.89			7.88		7.95	
25	Industrial	5.70			6.03		5.23	
26	Public Street & Highway Lighting	15.03			14.95		15.45	
27	Interdepartmental	0.00			0.00		0.00	
28	Sales for Resale:							
29	Special Contract	5.88	5.88					
30	Other	0.00	0.00					
31	Total Revenue per KWH Sold	7.89	5.60					